

Barriers to Entrepreneurial Success Among Aspiring University Entrepreneurs in Algeria: An Analysis of Challenges and Student Engagement

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Abstract :

The Algerian startup ecosystem has been evolving, with growing government support and initiatives like Resolution 1275 aimed at encouraging entrepreneurship, particularly among university students. However, aspiring entrepreneurs in universities still face significant challenges, such as limited access to funding and resources, which hinder their ability to succeed. This study aims to investigate these key challenges and examine how they relate to the broader Algerian startup ecosystem. By using both qualitative and quantitative methods, including interviews and surveys, the research will provide insights into the barriers faced by student entrepreneurs and assess the impact of government policies.

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The findings will help inform strategies to better support aspiring entrepreneurs in Algeria.

Keywords : Startup ecosystem, Resolution 1275, aspiring entrepreneurs.

Jel Classification Codes : L26 , O38, O31 .

Résumé :

L'écosystème des startups en Algérie connaît une évolution croissante, soutenu par des initiatives gouvernementales, notamment la Résolution 1275, qui vise à encourager l'entrepreneuriat, en particulier parmi les étudiants universitaires. Cependant, les entrepreneurs aspirants rencontrent encore des obstacles majeurs, tels qu'un accès limité aux financements et aux ressources, ce qui freine leur réussite. Cette étude vise à examiner ces principaux défis et à analyser leur relation avec l'écosystème entrepreneurial algérien. En utilisant des méthodes qualitatives et quantitatives, notamment des entretiens et des enquêtes, la recherche fournira des éclairages sur les difficultés rencontrées par les étudiants entrepreneurs et évaluera l'impact des politiques gouvernementales. Les résultats contribueront à orienter des stratégies pour mieux soutenir les entrepreneurs aspirants en Algérie.

Mots clés : Écosystème des startups, Résolution 1275, entrepreneurs aspirants.

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1. INTRODUCTION

Algeria, rich in natural resources such as oil, gas, and minerals, boasts a young and educated population. The Algerian government has recognized the critical need for economic diversification and has emphasized entrepreneurship and innovation as essential drivers of long-term prosperity.

The startup ecosystem in Algeria is still emerging, with a growing number of ventures across sectors including technology, e-commerce, social enterprises, and sustainable solutions. These startups aim to tackle local challenges and contribute to economic growth. Despite its potential, the ecosystem faces several challenges, including limited access to financing, bureaucratic obstacles, insufficient support infrastructure, and an underdeveloped entrepreneurial culture. The government has introduced various initiatives to foster entrepreneurship, such as incubators, financing programs, and simplified administrative procedures. However, overcoming the existing hurdles requires coordinated efforts from the government, investors, support organizations, and aspiring entrepreneurs.

As the startup ecosystem continues to evolve, it presents significant opportunities for economic growth, job creation, and technological advancement. By understanding the current context and addressing the specific needs of startups, Algeria can better leverage its entrepreneurial potential to drive innovation and achieve sustainable economic development and diversification.

The question of the study:

The research aims to investigate the challenges and obstacles encountered by aspiring entrepreneurs in Algerian universities within the context of the broader startup ecosystem. It explores the current state of the entrepreneurial

environment, identifies key barriers to the growth and success of startups, and examines how these challenges affect the overall startup landscape in Algeria. Additionally, the study evaluates the impact of Resolution 1275 on startup development and assesses the level of awareness and understanding among students regarding this resolution and its role in fostering their engagement in entrepreneurial activities. We aim to answer the following question:

What are the key challenges for aspiring entrepreneurs in Algerian universities, and how do these relate to the broader Algerian startup ecosystem?

Hypothesis:

H01: Aspiring entrepreneurs in Algerian universities face significant challenges related to inadequate access to funding and resources.

H02 : The current state of the startup ecosystem and entrepreneurial environment in Algeria is promising, supported by increasing government initiatives and resources.

H03: Awareness and understanding of Resolution 1275 among students are positively correlated with their involvement in entrepreneurial activities.

The Objectif of the study:

- To identify and analyze the primary challenges and obstacles faced by aspiring entrepreneurs in Algerian universities within the context of the broader Algerian startup ecosystem.
- To assess the impact of government initiatives , on the development and success of startups in Algeria and how these initiatives influence the entrepreneurial environment in universities.
- To evaluate the level of awareness and understanding among students regarding Resolution 1275 and its role in encouraging their participation in entrepreneurial activities.

The importance of the study:

The importance of this study lies in its ability to shed light on the specific challenges faced by aspiring entrepreneurs in Algerian universities, providing insights into the barriers hindering entrepreneurial activity. By evaluating the impact of government initiatives and policies, such as Resolution 1275, the study offers critical feedback for improving these support mechanisms. Additionally, assessing students' awareness of these policies helps enhance communication and engagement, ultimately contributing to a more effective entrepreneurial ecosystem. This research aims to inform better policy and practice, fostering a more supportive environment for startups and promoting economic growth in Algeria.

Methodology:

For this study, a descriptive and analytical approach will be employed to thoroughly explore the challenges faced by aspiring entrepreneurs in Algerian universities. In the theoretical part, a descriptive approach will be used to provide an overview of the Algerian startup ecosystem, focusing on government initiatives, legislation, and emerging trends. This will offer a clear picture of the current entrepreneurial environment.

For the practical side of the study, we employed a multifaceted strategy combining surveys, interviews, and focus group discussions. We selected a diverse group of participants from universities and entrepreneurial communities across Algeria, allowing us to capture a comprehensive perspective on the challenges faced by emerging startups. The study spanned several months, enabling us to collect a wealth of both qualitative and quantitative data.

We designed a detailed questionnaire targeting university students nearing graduation, recent graduates, and entrepreneurs to gain insights into these challenges. The survey received 365 responses, providing valuable data for analysis. The questionnaire included both closed-ended and open-ended questions, facilitating statistical analysis and rich qualitative insights.

Using purposive sampling, we selected participants based on specific criteria to ensure diverse perspectives. The sample size of 365 was determined to provide a representative overview, with a margin of error of 5%, ensuring the reliability of our findings. Data collection was conducted online, with quantitative and qualitative analyses revealing key patterns and themes. This approach enabled a thorough understanding of the obstacles faced by aspiring entrepreneurs and informed recommendations for improvement.

2. Algerian Startup Ecosystem

2.1. The initiatives of the Algerian government :

Multiple initiatives have been declared by the highest authorities of government for the benefit of start-ups and young project leaders in order to establish an ecosystem suitable to the economy of knowledge and innovation; among these measures we can cite:

2.1.1. The creation of the delegate ministry in charge of the knowledge economy and start-ups:

Within the framework of the general policy of the government and its program of action, the Minister Delegate in charge of the knowledge economy and start-ups to the Prime Minister proposes the elements of the national policy in the field of innovation. knowledge and start-up economy,

through the two decrees bearing the numbers 20-306 and 20-307 dated October 15, 2020, which explain the action plan of the ministry and ensure its implementation in accordance with applicable laws and regulations. (The Algerian official journal, 2020, p. 64)

The first decree stipulates that the Minister in charge of the knowledge economy and start-ups is responsible, in particular, for developing plans, programs, and projects for the development of the knowledge economy and start-ups, to ensure their consistency, and to propose the legislative and regulatory framework relating to the knowledge economy of start-ups and support structures. Promote and develop the knowledge economy, start-ups, and the related ecosystem; support the international deployment of national economic operators active in the field of the digital economy and start-ups; work to promote foreign investment in areas of interest to the sector; as well as contribute to the establishment of labels in relation to support structures; these are the main missions assigned to him. The Minister Delegate also sees to the promotion and organization of scientific and technical events in the areas of interest, according to the decree, adding that he also proposes the organization of the administration of the establishments placed under its supervision and ensures their proper functioning within the framework of the laws and regulations in force. In addition, the second executive decree underlines the creation of two directorates within this delegated ministry, namely the directorate of the knowledge economy and the directorate of start-ups and support structures, broken down into sub-directories. The Knowledge Economy Directorate includes the Innovation Sub-Directorate and the Digital Economy Sub-Directorate, while the Start-ups and Support Structures Directorate includes the Promotion and Development of Start-ups and the Sub-Directorate of Support and Assistance Structures.

2.1.2. The creation of a support and development fund for the Start-up ecosystem :

On August 01, 2021, an executive decree was signed by the Prime Minister regarding the creation of a support and development fund for the start-up ecosystem in Algeria. The decree, which appeared in the official journal n° 60, designates the fund as the Trust account n° 302-150 in the treasury records. The main authorizing officer for this fund is the delegate minister Yacine Oualid. (Direction of technological development and innovation RSDT, 2020)

The decree outlines the sources of revenue for the fund, which include state grants, revenue from fiscal and parafiscal taxes, as well as donations. The revenue generated from these sources will be used to finance various expenses related to the development of the start-up ecosystem in Algeria. The expenses covered by this special appropriation account include the financing of feasibility studies, the development of a business plan, technical assistance, costs related to the creation of a prototype, training, as well as the incubation of start-ups and promotion of the start-up ecosystem. This indicates that the fund aims to support the entire start-up ecosystem, from the initial stages of idea generation to the eventual scaling of successful start-ups.

The establishment of this fund is a significant step towards promoting entrepreneurship and innovation in Algeria. It provides much-needed financial support for entrepreneurs and start-ups, which can be a key driver of economic growth in the country. With the support of this fund, start-ups can access the resources they need to turn their ideas into successful businesses and contribute to the development of Algeria's economy.

2.2. Legislation and procedures for creating start-ups in Algeria:

Start-up is a term that has imposed itself in economic, political and social jargon over the past five years in Algeria, in particular through the establishment of the ministry delegated to the prime minister in charge of the knowledge economy and start-ups. up in 2019 as part of the economic transition aimed at bringing the country out of the rentier economy by promoting the entrepreneurial act and the creation of wealth. The legislation and creation procedures for startups in Algeria are governed by Law No. 19-04 of August 15, 2019, which was published in the Official Journal No. 50 of August 22, 2019. The law provides the legal framework for the creation, development, and financing of startups in Algeria. The law defines a startup as a "young innovative enterprise that produces goods or services with high added value and that has an important development potential, particularly in terms of job creation and economic growth. (The Algerian government official website, 2024)

The DGRSDT (Direction Générale de la Recherche Scientifique et du Développement Technologique) is the Algerian government body in charge of supporting scientific research and technology development in the nation. DGRSDT has undertaken a number of initiatives and programs to aid in the formation and growth of startups in Algeria. DGRSDT advises the following steps for startup creation: (DGRST, 2020)

- **Idea Generation:** The first step in creating a startup is to generate a business idea that solves a specific problem or meets a market need. This idea can come from personal experience, observation of a problem, or from research and innovation.
- **Market Research:** The next step is to conduct market research to determine the potential market for your

product or service. This involves gathering information about your target audience, competitors, and industry trends.

- **Business Plan:** With the idea and market research in place, the next step is to develop a comprehensive business plan. The plan should include details on the business concept, market analysis, marketing strategy, financial projections, and management team.
- **Prototype Development:** If applicable, create a prototype of your product or service to test and refine it before launching it in the market.
- **Funding:** You will need to secure funding to start and grow your business. DGRSDT offers various funding programs, such as the National Fund for the Promotion of SMEs (FNPOS), which provides financial support to startups and small and medium-sized enterprises.
- **Legal Registration:** Register your business with the relevant authorities and obtain the necessary licenses and permits.
- **Launch and Growth:** Once your startup is up and running, focus on growing your business by expanding your customer base, improving your product or service, and securing additional funding as needed.

DGRSDT emphasizes the importance of innovation and market research in the creation of startups, and provides various resources and funding programs to support entrepreneurs in Algeria. By following a structured approach and utilizing the resources provided by DGRSDT, entrepreneurs can increase their chances of success and contribute to the growth of the Algerian economy.

2.3. Emerging trends in the start-up ecosystem of Algeria: (Sabrina, 2022)

Algeria recently adopted a new strategy for entrepreneurship and start-up creation, which includes several important measures to support the sector. These new measures aim to strengthen support for start-ups and entrepreneurship in Algeria by giving them greater visibility and a prominent place on the country's political agenda. The Ministry of Micro-Enterprises, Start-ups and the Knowledge Economy will therefore have a crucial role to play in promoting entrepreneurship, encouraging investment and creating jobs. It is expected that this measure will help stimulate innovation and economic development in the country in the years to come.

2.3.1. The start-up ecosystem support and development fund:

Decree No. 21-303 of 22 Dhou El Hidja 1442, published in the official journal No. 60 on August 1, 2021, sets the operating procedures for special appropriation account No. 302-150 entitled "Support and development of the start-up ecosystem". This account is opened in the archives of the Ministry of Finance and is mainly managed by the representative of the Prime Minister in charge of the knowledge economy and start-ups. The purpose of this fund is to ensure the development of the ecosystem of start-ups in Algeria. The decree also specifies the sources of financing of this fund, which include the State endowment, the products of fiscal and parafiscal taxes, donations and legacies, as well as all other resources and contributions. These revenues will be used to finance expenses related to the fund's missions.

With regard to expenditure, the decree lists the actions that will be financed by the fund. These actions are directly linked to the development and promotion of the start-up

ecosystem in Algeria. Expenditure includes providing grants to support young entrepreneurs in launching their start-ups, organizing competitions and events to encourage the creation of start-ups, setting up training and mentoring to help start-ups grow, as well as carrying out studies to assess the evolution of the start-up ecosystem in Algeria.

- Financing of feasibility studies: costs related to technological feasibility studies; Costs related to economic feasibility studies.
- Financing of the development of the Business Plan: the costs related to the development of the business plan.
- Financing of technical assistance: costs related to the certification of prototyping centers (Fablab); the costs related to the certification of the (Data Center).
- Financing of costs related to the creation of a prototype: design, simulation and proof of concept testing; the production, testing and validation of prototypes for the benefit of start-ups and labeled innovative projects; acquisition of equipment, raw materials and software; support costs for carrying out technical work; costs related to testing, approval, certification and standardization; the financing of prototypes for the innovative project.
- Financing of training: costs related to the training of trainers; costs related to specialized supervision.
- The incubation of “start-ups”: accommodation costs for labeled start-ups; incubation costs for labeled innovative projects; the implementation of thematic programs for launching and supporting start-ups, in collaboration with economic players.
- Promotion of the start-up ecosystem: the costs related to the interventions of the experts for the committee in charge of labeling; costs related to the promotion and financing of

labeled start-ups; the costs of filing, at national and international level, for patents, trademarks and their maintenance during the period of validity of the labeling of the start-up and innovative project; patent costs within the framework of the cooperation agreement for intellectual property (PCT) and patent extensions for start-ups and labeled innovative projects; costs related to the acquisition of databases of patents and other forms of intellectual property; the establishment of specific programs for launching and supporting start-ups, according to the technological needs of national companies.

2.3.2. ASF (Algerian Start-up Fund) :

As part of the support and the growth and development of start-ups in the country effort to support start-ups, the Algerian government established a public fund specifically designed to provide financial support to start-ups. This fund, called the Algerian Start-up Fund (ASF), was launched on October 4, 2020, and is headquartered in the same location as the Ministry of Start-ups. ASF is a public capital investment company that provides financial support to start-ups in the form of equity and quasi-equity investments. The fund was created through a collaboration between the Ministry of Startups and six public banks in Algeria. The goal of the fund is to support the financing of start-ups that have been granted the Startup label. (Algerian Startup Fund, 2024)

The Algerian government's decision to create a public fund for start-ups reflects its commitment to supporting the development of an innovative and entrepreneurial economic fabric that can generate wealth and create jobs. ASF's unique advantage is that it is dedicated solely to supporting start-ups, and this gives it the ability to offer a longer duration of participation in the start-up (between 5 and 7 years) and an

equity investment of more than 49%, which is higher than the rate offered by other start-up investment companies.

During the National Conference of Startups entitled "Algeria Disrupt 2020", a new initiative was officially launched to support the most innovative startups in the country: the Algerian Fund for Financing Startups. This initiative, which raised an impressive \$7.2 million in its first year, is designed to provide direct funding to promising startups, in exchange for an equity stake in the company. This is a significant shift from traditional methods of funding startups in Algeria, which often relied on bank loans that have proven ineffective in helping start-ups grow and thrive.

The National Fund for the financing of start-ups is the result of a collaboration between several key organizations, in particular the Delegate Ministry of the Knowledge Economy and Start-ups, Sonatrach, the Local Development Bank (BDL), the People's Credit of Algeria (CPA), the External Bank of Algeria (BEA), the National Bank of Algeria (BNA) and the National Savings and Provident Fund-Bank (Cnep-Banque). Together, these partners have worked to develop an innovative and effective funding program that will help Algerian startups access the capital they need to succeed. The investment ceiling of the Algerian Fund for Financing Startups is flexible and varies according to several factors, such as the nature of the project, the sector of activity and the real need for financing. Three levels have been established, offering funding ranging from 2 million to 20 million dinars. ASF will review each project individually to assess commitment and risk, in order to determine the appropriate amount of funding to provide. Once the funding has been injected, the ASF will become a partner of the company in question and will share in the profits and losses of the company. This means the Algerian Startup Funding Fund is committed to the long-term success of every business it funds

and will work closely with startups to help them achieve their goals and grow sustainably.

2.3.3. Support structures :

The Algerian government has set itself the goal of stimulating investment in the country in order to promote economic growth and development. To this end, several organizations have been created to support project promoters and offer them financial, technical and administrative assistance. Among the main players involved in this process of supporting business creation, we can cite the National Unemployment Insurance Fund (CNAC), which aims to encourage job seekers to become entrepreneurs by offering them low-interest loans low interest. This initiative not only creates new businesses, but also provides employment opportunities for others.

Similarly, the National Youth Employment Support Agency (NESDA ex.ANSEJ) has been set up to help young entrepreneurs set up their own business by offering them financial support and technical advice. This agency aims to encourage young graduates to set up their own business rather than seek employment in the public or private sector. In addition, the National Agency for the Promotion and Development of Technology Parks (ANPT) was created to encourage the development of the technology industry in Algeria. It offers financial and technical support to companies wishing to set up in technology parks and develop innovative projects.

Finally, the Fund for the Appropriation of the Uses and Development of Information and Communication Technologies (FAUDTIC) is an organization which aims to encourage the use of information and communication technologies (ICT) in Algerian companies. This fund offers

grants and loans to help companies develop innovative projects in the field of ICT.

Overall, these various aid and support organizations play a crucial role in the development of the Algerian economy by encouraging investment and business creation. By offering financial, technical and administrative assistance, they help strengthen the country's entrepreneurial ecosystem and stimulate economic growth. (Bekaddour, 2020)

Aside from the public fund, there are also several private equity companies in Algeria that support start-ups : (Mohamed & Mairif, 2016)

- Sofinance : a financial investment, participation, and placement company that was approved by the Bank of Algeria in 2001. Its activities include cash contributions to the equity of companies in creation, development, and restructuring. It becomes an active shareholder and sells its shares at the end of a defined period in the shareholders' agreement.
- El Djazair Istithmar: it is a capital investment company, a subsidiary of two public banks, namely BADR and CNEP bank, its activity covers minority and temporary cash participation in the share capital of a small and medium-sized company. business.
- FINALEP. The Algerian-European financial participation, is a joint stock company bringing together the local development bank, the popular credit of Algeria and the French development agency (28.73%).
- ASICOM. An Algerian-Saudi investment company, was created in 2008, it offers a financing service for all sectors of activity through capital contributions during the creation or acquisition of holdings.

Overall, the Algerian government's efforts to support start-ups through the creation of a public fund and partnerships with private equity companies are aimed at fostering the

growth of an innovative and entrepreneurial economic landscape in the country. By providing financial support and resources to start-ups, the government hopes to create a vibrant start-up ecosystem that can generate employment opportunities, boost economic growth, and enhance the country's overall competitiveness.

2.3.4. The incubation and acceleration structures :

Incubators represent structures that offer essential support to Algerian entrepreneurs who wish to create their business or start-up. These structures provide them with an environment conducive to learning and a support network necessary to help them in the key stages of launching their projects. Incubators, whether public or private, planned or active, play an important role in supporting project leaders and start-ups by supervising and hosting them from the start. It is important to emphasize that incubators are not supposed to finance startups directly. Instead, they prepare them for fundraising and the launch of their activities, directing them to potential funders who might be interested in their project. Incubators are therefore an essential step in the journey of Algerian entrepreneurs. As for the accelerators, they take over from the incubators and continue to support structured startups that are at a more advanced stage. They coach these startups intensively, with the aim of accelerating their business. Acceleration programs have an average duration of 3 to 6 months.

There are several active incubators and accelerators in Algeria, such as ANVREDET, HABAIstitute, ANPT, DarTech, CDTA, Incub Me, Cap, FCE Incubator, ESAA Incubator, as well as business incubators mainly mobile operators , university incubators, and Sylabs and The Pivot accelerators, both of which are private initiatives. It is important to note that the number of incubators and

accelerators continues to increase in Algeria, thus testifying to the growing interest in entrepreneurship and the creation of start-ups in particular. These structures are essential players in the entrepreneurial ecosystem in Algeria, thus contributing to the creation of jobs and the economic growth of the country.

➤ **Incubation structures:**

When it comes to fostering the creation and development of businesses, incubation structures are key elements of the entrepreneurial ecosystem. These structures are designed to offer entrepreneurs support and assistance throughout their journey of creating and growing a business. As part of the national strategy for the promotion and development of entrepreneurship, several incubation structures have been set up across the country, including nurseries, incubators and accelerators. These structures are often associated with public institutions such as universities, research centers and ministries, but can also be created by private actors.

The business incubator is a public structure dedicated to the support, reception, accompaniment and support of project leaders. It offers a wide range of logistical, administrative and consulting services to help entrepreneurs develop their ideas and bring their projects to fruition. The duration of accommodation for project leaders varies between 24 and 36 months, depending on the degree of maturity of their project and the support needs they express. Business incubators offer project promoters personalized assistance at all stages of their project. They help them to draw up their business plan, to seek financing and to solicit the aid and support funds available from financial institutions, wilayas and other organizations. The incubator's advisors bring their expertise in finance, law, taxation, marketing and technology to help project promoters overcome obstacles and develop their business.

Business incubators also organize specific training, events and follow-up sessions to help project promoters acquire the skills needed to create and manage a business. The objective is to support them until they reach the maturity necessary to create their own business and succeed in their project. The assistance provided to promoters essentially consists of:

- Host project leaders for a fixed term;
- Accompany project leaders in all procedures with: financial institutions, aid and support funds and wilayas, municipalities and other organizations related to their projects.
- Offer personalized financial, legal, tax, commercial and technical advice;
- Organize all forms of animation, assistance, specific training and follow-up of project leaders until the maturation and creation of their business.

➤ **Technology park incubators:**

The Algerian government places significant emphasis on the role of information and communication technologies (ICT) in driving the country's economic development. In line with this vision, the National Agency for the Promotion and Development of Technology Parks (ANPT) was established to execute the national ICT development strategy. Technoparks serve as hubs of innovation, providing start-ups with an environment conducive to growth. To support young entrepreneurs in launching their tech ventures, the ANPT has established several incubators across the country. The first incubator, Cyberparc Sidi Abdallah in Algiers, was launched by the ANPT in January 2010. Since then, additional technoparks have been inaugurated, including those in Ouargla (2012), Annaba (2014), and Oran (2017). The ANPT is also working on new technology parks in Sétif, Constantine, and Boughezoul. These incubators offer

personalized support to innovative ICT project leaders, helping them turn ideas into start-ups through access to expertise, administrative assistance, coaching, and tailored training. By fostering conditions that encourage technological innovation and entrepreneurship, the ANPT plays a vital role in advancing ICT in Algeria. These incubators provide young entrepreneurs with the resources and opportunities to pursue their dreams and contribute to the nation's digital economy.

➤ **University incubator:**

University incubators are structures that welcome and support innovative projects directly related to research. In developed countries, they have given good results in the structuring of entrepreneurial projects. In Algeria, these incubators have started to be established in universities. Their purpose is to facilitate favorable conditions (technical, financial, human) for the creation of businesses from projects from public research and PFEs (end -of -studies projects). Indeed, the university's mission is to enhance its research results to reduce the gap between the generation of research results and their applications, as well as to bring academic operators closer and socio-economic operators.

➤ **Algeria Venture (A-VENTURE) :**

Executive Decree number 20-356 of 14 Rabie Ethani 1442 corresponding to November 30, 2020 was established to create a public establishment of an industrial and commercial nature under the name of "Establishment for the promotion and management of start-up support structures “, by abbreviation “Algeria Venture”. This establishment is governed by the rules applicable to the administration in its relations with the State, but is considered as a trader in its relations with third parties. The minister in charge of start-ups is in charge of its supervision, and chairs the board of directors of the establishment which includes 11 representatives of different ministries, the representative of

the company Sonatrach, the representative of the company Algerian start-up Fund , as well as the president of the scientific council of the establishment.

According to article 4 of the decree, the A-Venture is the tool of the public authorities for the implementation of the national policy for the promotion and management of support structures for start-ups. This includes participation in the national strategy for the promotion and management of support structures for start-ups, by sector of activity, as well as the creation of new support structures to strengthen national support capacities for innovation. The establishment is also responsible for developing and implementing annual and multi-annual development programs for start-up incubators and accelerators, in collaboration with the various stakeholders concerned, and for monitoring and evaluating them. . It must also develop and implement acceleration courses for monitoring labeled start-ups and labeled innovative projects, as well as estimating and validating their needs. In addition, the institution must encourage and support any initiative aimed at promoting and developing innovation and support structures, in consultation with the various sectors of activity. It must also contribute to a technology watch and ensure the publication and dissemination on all media of information relating to technological innovation and entrepreneurship. Finally, the establishment must manage the assets allocated to it and that which it obtains the use of, draw up and monitor the performance contracts relating to the services provided by the support structures for which it is responsible, ensure that they are respected and promote synergies between them. To accomplish its missions and achieve the objectives assigned to it, according to article 5 of the executive decree, the establishment is authorized to conclude any contract or agreement with national and/or foreign bodies relating to its field of activity. It may also

carry out any industrial, commercial, movable and immovable transaction inherent in its activities and likely to promote its development, carry out any financial transaction in relation to the participation in the capital of investment funds dedicated to start-ups, call to any competence or organization for the needs of expertise, supervision and monitoring of start-ups and contract any loan deemed useful for its activity.

➤ **Other private structures and support programs:**

The start-up ecosystem in Algeria is constantly evolving and is developing more and more thanks to the involvement of different actors, including private incubators. Currently, there are two main private incubators in Algeria who play an important role in supporting and supporting young entrepreneurs in the creation and development of their start-ups.

- **The Alinov incubator:**

The first private incubator is Alinov, which was created in February 2009 by the firm "Alliance Consulting IAC" in collaboration with the International Consulting Network Médaf Co-Development. Alinov is the first private incubator of innovative companies in Algeria and freely offers its services to innovative startups and young business creators thanks to the financial support of the Royal Embassy of Norway in Algiers and the German Foundation Friedrich Naumann for the freedom. Alinov's main objective of contributing each year to the creation of twenty innovative Algerian start-ups in different sectors such as information and communication technologies, research and development, advice and training, renewable energies, Agriculture and food, environmental protection, tourism and leisure.

- **The TSTART incubator of Ooredoo:**

In 2013, Ooredoo launched the TSTART and ISTART programs to support the development of local mobile

applications and connected devices. As part of these initiatives, Ooredoo established two incubators in Algiers and Annaba, aimed at encouraging young people to create start-ups in the information and communication technology (ICT) sector, including software, telecommunications, web development, cybersecurity, green technologies, and energy. These incubators provide personalized support, mentoring, training, and financing services to help young entrepreneurs turn their ideas into reality and transform their projects into successful, high-performing start-ups.

Beyond the incubators, in recent years have seen the emergence of a certain number of private initiatives that play the role of support actors in business creation in various forms.

➤ **Accelerators:**

One of these forms is that of accelerators, which are generally private structures created by investors and entrepreneurs to support more mature startups in their development and their quest for profitability. These accelerators target startups which have already marketed their products or services and which are at a more advanced stage of development. In Algeria, the two main private accelerators are : Sylabs and The Pivot. Sylabs was created in 2015 thanks to a private initiative aimed at improving the start-up ecosystem in Algeria. This structure works in partnership with the government, the wilaya of Algiers and other companies such as General Electric to create a favorable climate for the boom in start-ups in the country. Their goal is to provide support and training programs to help start-ups grow and succeed. Sylabs strives to provide both financial and non-financial resources to support start-ups at each stage of their development.

The Pivot on the other hand, was created in 2018 by the Innopreneurs agency, which specializes in business creation

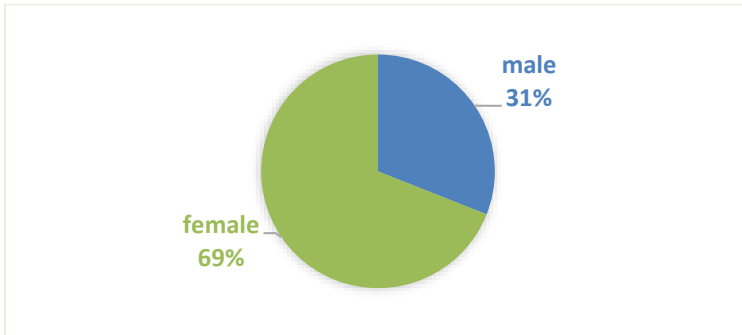
and development advice since 2013. This structure aims to provide training, mentoring, coaching, networking as well as all the needs of a young start-up. It is reserved for start-ups being created or having developed a product or service tested with first customers or users. The Pivot seeks to support start-ups in all stages of their development, providing resources and financial support to help them grow and prosper.

3. Findings and Implications:

The detailed analysis of the collected data revealed significant insights into the challenges faced by aspiring entrepreneurs in Algerian universities. These findings will be presented in a comprehensive report, highlighting the key obstacles identified and their implications for startups. By thoroughly examining the data, we will provide practical recommendations and strategies to address these challenges, ultimately supporting the success and growth of startups within this demographic.

The survey data on aspiring entrepreneurs in Algerian universities shows that 69% of the 365 respondents were female, indicating their significant presence and influence. This gender distribution highlights the importance of addressing gender-specific challenges and opportunities within the entrepreneurial ecosystem. Further analysis can reveal potential gender disparities and inform strategies to support both male and female aspiring entrepreneurs, fostering a more inclusive and diverse environment for future startups in Algeria.

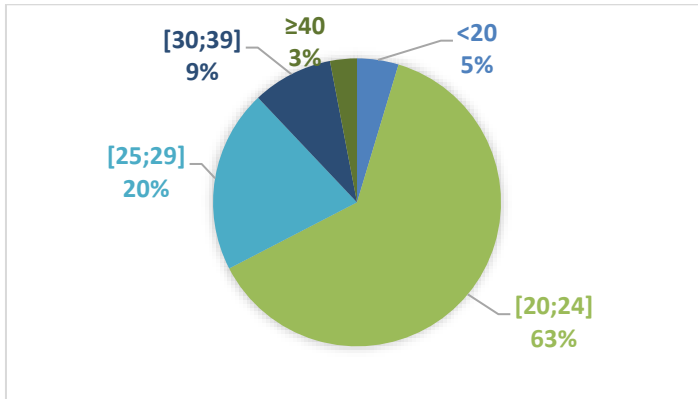
Fig.1. Distribution of the sample by Gender



Source: Developed by the student using results generated with Microsoft Excel 2016.

This study reveals that age plays a crucial role in understanding generation-specific obstacles and opportunities. The survey shows that the majority were aged 20 to 24, indicating a strong interest in entrepreneurship among students and recent graduates. The 25 to 39 age group followed, reflecting engagement from individuals with some work experience. Together, these groups represent 92% of the sample, highlighting a youth-driven entrepreneurial trend. In contrast, only 3% of respondents were over 40, suggesting a preference for traditional employment and stability among older individuals. This age distribution emphasizes the need for targeted support strategies to nurture entrepreneurship across different age groups, with a focus on the younger demographic.

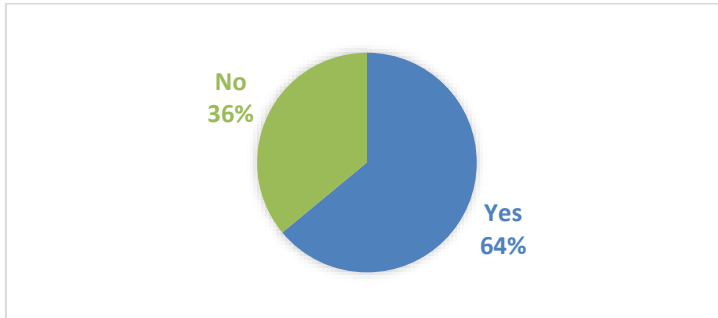
Fig.2. Distribution of the sample by age



Source: Developed by the student using results generated with Microsoft Excel 2016.

The analysis shows that 64% of respondents are fully dedicated to working on their projects, indicating a strong commitment among aspiring entrepreneurs in Algerian universities. This dedication suggests that a significant portion of the sample is actively pursuing their entrepreneurial goals, likely driven by factors such as passion, a clear vision, and the potential for financial independence. Conversely, the remaining 36% who are not fully engaged may face challenges such as balancing academic responsibilities, lack of resources or support, uncertainty about their project's viability, or fear of failure. Addressing these barriers could help increase full engagement and support more students in realizing their entrepreneurial ambitions.

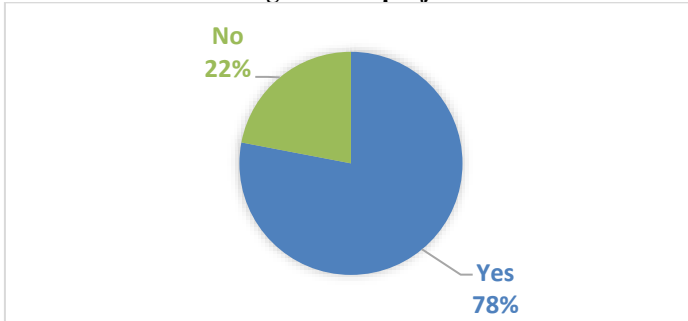
Fig.3. Distribution of the sample by whether they are fully working on their projects.



Source: Developed by the student using results generated with Microsoft Excel 2016.

The analysis reveals that 78% of respondents are participating in the 1275 Ministerial Resolution, highlighting a strong alignment with this initiative among aspiring entrepreneurs in Algerian universities. This high participation rate suggests that many students see the resolution as a valuable opportunity to advance their entrepreneurial projects, possibly due to the resources, support, and recognition it offers. However, the remaining 22% who are not participating might be deterred by factors such as lack of awareness, perceived complexity or bureaucracy, doubts about the program's relevance to their specific needs, or a preference for alternative support mechanisms. Addressing these concerns could enhance engagement and ensure broader access to the benefits of the resolution.

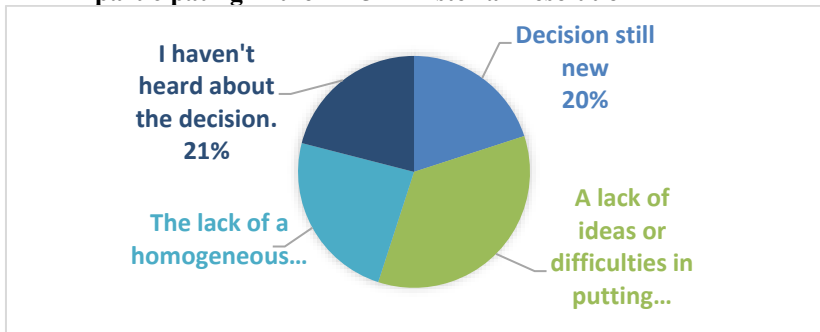
Fig.4. Distribution of the sample by whether they are fully working on their projects.



Source: Developed by the student using results generated with Microsoft Excel 2016.

While the 1275 Ministerial Resolution was positively received by respondents, actual participation was limited. Although many showed support for the initiative, a significant number chose not to participate. The reasons for this lack of registration are detailed in the following figure.

Fig.5. Distribution of the sample by the reasons for not participating in the 1275 Ministerial Resolution



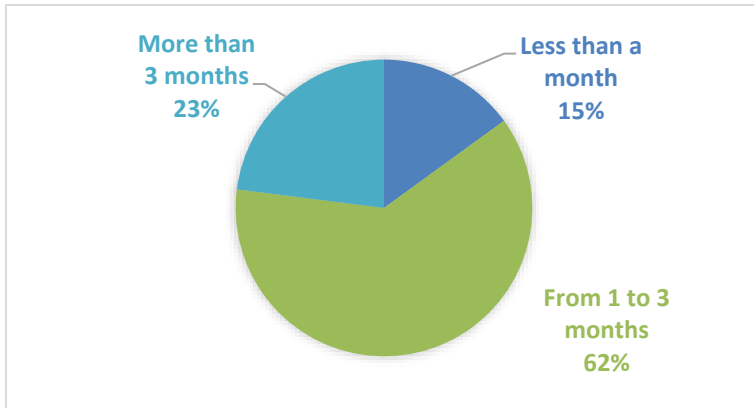
Source: Developed by the student using results generated with Microsoft Excel 2016.

Examining the reasons for not registering in the startup or innovative project Ministerial Resolution reveals several key challenges. The primary issue, cited by 35% of respondents, is the lack of a viable idea or difficulty in implementation, suggesting a need for more support in idea generation and planning. Fear of risk, mentioned by 20%, also deters participation, reflecting concerns about financial instability and failure. Additionally, some respondents were unaware of the Ministerial Resolution, highlighting a need for better communication. Other issues include timing problems, with some having graduated before the resolution was issued, and rejection of ideas by university incubators. Finally, skepticism about the support system indicates a need for building trust through tangible resources and success stories. Addressing these challenges requires targeted education, risk reduction strategies, improved awareness, and better support mechanisms.

The lack of a homogeneous team, identified by 24% of respondents, highlights a significant challenge in the entrepreneurial process. A diverse or fragmented team can struggle with cohesion and effective communication, impacting overall productivity and project success. This issue may stem from varying skill sets, differing visions, or conflicting working styles within the team. To address this, it is crucial to emphasize team-building strategies, establish clear roles and responsibilities, and foster a collaborative environment. Providing support in team dynamics and encouraging alignment on project goals can help improve team unity and enhance the likelihood of successful outcomes.

Upon analyzing the participants' responses, several insights can be derived. The data provides valuable information about the duration it took individuals to discover their ideas, as shown in the following figure.

Fig.6. Distribution of the sample by the reasons for not participating in the 1275 Ministerial Resolution



Source: Developed by the student using results generated with Microsoft Excel 2016.

The majority took more than a month to find their startup or innovative project idea. Specifically, 62% found their idea within 1 to 3 months, indicating a thorough approach to idea development. Additionally, 23% required more than 3 months, reflecting a deeper exploration and refinement process. In contrast, 15% identified their idea in less than a month, suggesting pre-existing concepts or quick insights. This analysis underscores the time and effort needed for idea generation and highlights the importance of providing entrepreneurs with resources and support to navigate this extended process.

The fact that a considerable number of respondents took more than a month to find their idea signifies the significance of perseverance, dedication, and continuous learning in the entrepreneurial journey. It also underscores the need for aspiring entrepreneurs to invest time and resources in

understanding industry trends, customer preferences, and competitive landscapes before settling on a specific idea. The prolonged duration observed in finding startup ideas could be attributed to various factors. These may include the complexity of the industry or market niche, the need for in-depth market research, the identification of unique value propositions, and the consideration of feasibility and scalability. Moreover, the process of idea development might involve seeking feedback from potential customers, conducting market tests, and iterating on the concept based on the gathered insights.

This information highlights the importance of patience and persistence in the entrepreneurial process. It suggests that entrepreneurs should embrace the iterative nature of idea generation, allowing for adjustments and adaptations along the way. Additionally, it emphasizes the value of providing aspiring entrepreneurs with the necessary resources, mentorship, and support networks to navigate the challenges and uncertainties encountered during the idea development phase. Understanding the timeframes involved in finding startup ideas allows policymakers, educational institutions, and support organizations to design initiatives that cater to the diverse needs of entrepreneurs. By acknowledging the time-intensive nature of idea generation, they can offer long-term programs, mentorship opportunities, and access to networks that facilitate idea exploration and refinement over an extended period.

Table 1. Distribution of the sample according to the field of the innovative idea of startup

The field	%
Technology and software	36
Health Care	20
Energy and environment	12
Agriculture and Food	10
Logistics services and e-commerce	8
Digital media production and Advertising	6
Law and rights	3
Sustainable Industries	2
Tourism and hospitality	2
Electronic games and entertainment	1

Source: Developed by the student using results generated with Microsoft Excel 2016.

The table reveals the distribution of innovative startup ideas among respondents across various fields.

Technology and Software: Leading the distribution with 36%, this category shows the highest interest, reflecting the growing emphasis on technological solutions and digital innovations. This prominence indicates a strong inclination towards tech-driven startups. Health Care: At 20%, this field represents a significant portion of the sample, suggesting a robust interest in health-related innovations. This might be driven by increasing demand for health solutions and advancements in medical technology. Energy and Environment: With 12%, this field highlights a notable interest in sustainable and eco-friendly innovations, reflecting growing awareness and concern about environmental issues. Agriculture and Food: At 10%, this category shows a decent interest in improving agricultural practices and food security,

pointing to a potential focus on enhancing food systems and agricultural efficiency. Logistics Services and E-commerce: Accounting for 8%, this field indicates a growing interest in improving logistics and online business solutions, likely due to the rise of digital commerce. Digital Media Production and Advertising: With 6%, there is a moderate interest in media and advertising innovations, underscoring the importance of digital marketing and content creation in the startup ecosystem. Law and Rights: At 3%, this field shows relatively less focus but still represents an area of interest, possibly related to legal tech and rights advocacy. Sustainable Industries and Tourism and Hospitality: Both fields are at 2%, indicating niche but important areas of innovation, reflecting diverse interests among respondents. Electronic Games and Entertainment: At 1%, this field has the least representation, suggesting a smaller yet present interest in gaming and entertainment startups.

Overall, the distribution illustrates a diverse range of interests among aspiring entrepreneurs, with a notable emphasis on technology and healthcare. This variety indicates a broad spectrum of innovative ideas and highlights potential areas for further exploration and support in the entrepreneurial ecosystem.

The following table presents a breakdown of the key obstacles and challenges identified by aspiring entrepreneurs, based on survey responses. It highlights the percentage of participants who strongly agree, agree, are neutral, disagree, or strongly disagree with various obstacles impacting their entrepreneurial efforts. The data offers insights into the most significant barriers and can guide targeted strategies to support and address these challenges effectively.

Table 1. Distribution of the sample according to the field of the innovative idea of startup

Ocstacles and challenges	Strongly agree	Agree	Neutral	Disagree	Totally disagree
Lack of Experience	10	67	4	14	5
Limited Resources	87	12	0	1	0
Balancing Academics and Entrepreneurship	2	5	10	69	14
Networking and Mentorship	14	55	10	10	11
Market Knowledge	36	45	4	8	7
Risk Aversion	18	12	6	34	30
Legal and Administrative Barriers	38	33	2	10	17
Skill Gaps	30	48	0	12	10
Access to Infrastructure	22	57	8	11	2
Confidence and Motivation	5	3	0	20	72

Source: Developed by the student using results generated with Microsoft Excel 2016.

With 67% of respondents agreeing that a lack of experience is a significant challenge, it is clear that many aspiring entrepreneurs find their limited hands-on experience a barrier to success. This lack of practical knowledge can affect their ability to effectively start and manage a business. To overcome this challenge, university incubators can offer comprehensive training programs and workshops focused on practical skills and real-world applications. These programs can include hands-on experience, case studies, and simulations to help students gain the necessary experience. Additionally, providing opportunities for internships or project-based learning with local businesses can bridge the experience gap.

The overwhelming 87% of respondents who strongly agree that limited resources are a challenge underscores the severity of this obstacle. Insufficient financial resources, equipment, and facilities can hinder the ability to launch and sustain a startup. To address this issue, incubators can establish resource-sharing models, including providing access to office space, equipment, and funding opportunities. They can also create partnerships with external organizations, investors, and corporations to offer grants, seed funding, and in-kind support. Establishing a resource pool and facilitating access to essential tools can alleviate resource constraints.

Although 69% of respondents disagree that balancing academics and entrepreneurship is a significant obstacle, some may still struggle with managing both responsibilities. For those who find this challenging, effective time management strategies and clear prioritization are essential. To help students balance their academic responsibilities with entrepreneurial activities, incubators can offer flexible scheduling for workshops and mentoring sessions. They can also work with academic departments to integrate entrepreneurial projects into the curriculum or provide academic credit for participating in incubator programs.

A significant 55% of respondents agree that networking and mentorship are challenges, indicating that many aspiring entrepreneurs struggle with building professional networks and finding mentors. These elements are crucial for gaining advice, support, and opportunities. University incubators can facilitate networking events, workshops, and mentorship programs to connect students with industry experts, successful entrepreneurs, and potential partners. By organizing regular networking sessions and creating a structured mentorship program, incubators can provide valuable connections and guidance.

With 45% agreeing and 36% strongly agreeing that market knowledge is a challenge, it is evident that understanding the market and customer needs is a significant issue. Insufficient market knowledge can lead to poorly targeted products or services. Incubators can offer market research resources, including access to industry reports, competitive analysis tools, and expert consultations. Hosting seminars with market experts and organizing workshops on market trends and customer insights can enhance students' understanding of market dynamics.

While 34% disagree and 30% strongly disagree that risk aversion is a major challenge, a notable portion (18%) still perceives it as a barrier. Risk aversion can prevent individuals from pursuing innovative or high-risk ventures. To address risk aversion, incubators can create a supportive environment that encourages experimentation and learning from failure. Providing resources for risk management training, offering simulation exercises, and sharing success stories of overcoming risks can help students become more comfortable with taking calculated risks.

The 38% of respondents who strongly agree that legal and administrative barriers are significant challenges, combined with 33% who agree, highlights the complexity and impact of this obstacle. Navigating legal requirements and bureaucratic processes can be daunting and time-consuming. To address this, simplifying legal processes and providing clear guidelines can reduce these barriers. Entrepreneurs can benefit from legal consultations, workshops on regulatory requirements, and support from legal aid organizations to help navigate the administrative landscape. University incubators can provide legal and administrative support by offering workshops on regulatory compliance, intellectual property rights, and business registration processes. Collaborating with legal professionals to offer pro bono legal

advice and simplifying administrative procedures can help navigate these barriers.

With 48% agreeing and 30% strongly agreeing that skill gaps are an obstacle, it is clear that missing skills in areas like finance, marketing, and management pose a significant challenge. To bridge these gaps, incubators can organize skill development workshops and training sessions on critical entrepreneurial skills such as finance, marketing, and project management. Partnering with industry professionals to deliver specialized training and providing access to online courses can address skill gaps effectively.

The 57% of respondents who agree that access to infrastructure is a challenge indicates that lacking essential resources such as office space, technology, and production facilities can limit startup operations. To improve access to infrastructure, incubators can offer shared workspace, technological tools, and prototyping facilities. Creating partnerships with tech companies and local businesses to provide infrastructure support and ensuring that incubator facilities are well-equipped can meet infrastructure needs.

The majority of respondents (72%) strongly disagree that confidence and motivation are significant obstacles, suggesting that most aspiring entrepreneurs feel confident and motivated in their pursuits. For those who may struggle with confidence or motivation, personal development programs, motivational workshops, and supportive peer networks can be beneficial. These resources can help boost self-belief and maintain enthusiasm throughout the entrepreneurial journey. University incubators can also enhance confidence and motivation by creating a positive and encouraging environment. Offering motivational workshops, celebrating successes, and providing personalized support and feedback can help boost students' confidence and maintain their enthusiasm for their entrepreneurial ventures.

5. CONCLUSION

In conclusion, this study investigated the challenges and obstacles faced by startup innovation in Algeria. The research focused on the state of the entrepreneurial ecosystem, barriers to growth and success, the implementation of Resolution 1275, and students' awareness of the resolution.

The analysis revealed that aspiring entrepreneurs in Algeria encounter several key challenges, including limited access to funding, regulatory complexities, insufficient support infrastructure, and a constrained market. These factors hinder the growth and success of startups and negatively affect the overall ecosystem. Despite these obstacles, Resolution 1275 has positively influenced students' interest in entrepreneurship, increasing their awareness and support for startup activities.

H01 is confirmed, as the study shows that aspiring entrepreneurs in Algerian universities face significant challenges due to inadequate access to funding and resources. These barriers include limited financial support, lack of mentorship, and insufficient infrastructure. **H02** is also confirmed, with evidence indicating that the startup ecosystem in Algeria is promising, supported by increasing government initiatives and resources. The government's efforts, such as funding programs and incubators, are enhancing the entrepreneurial environment. **H03** presents mixed results; while awareness and understanding of Resolution 1275 among students have increased, the correlation between this awareness and actual involvement in entrepreneurial activities is not as strong. Many students still hesitate to engage in startups, suggesting that further investigation is needed to understand the resolution's full impact.

The research findings highlight the need for further attention and support from policymakers and stakeholders to

address the identified challenges and obstacles. Efforts should be made to enhance access to funding, streamline regulations, develop supportive infrastructure, and expand market opportunities for start-ups in Algeria. Additionally, fostering networking and mentorship programs, promoting entrepreneurship education, and raising awareness about Resolution 1275 among students will contribute to a thriving start-up ecosystem in the country.

Recommendations:

- **Improve Access to Funding:** Enhance funding opportunities by creating more accessible financing options and increasing grants for start-ups.
- **Simplify Regulations:** Streamline business regulations to reduce administrative burdens, facilitating easier business registration and operation.
- **Strengthen Supportive Infrastructure:** Develop and strengthen incubators, accelerators, and co-working spaces to provide essential resources and mentorship.
- **Expand Market Access:** Broaden market opportunities by facilitating domestic and international market access and supporting market research activities.
- **Enhance Multidisciplinary Collaboration** between students : Enable students from various disciplines to work together on projects by simplifying university and faculty processes for collaborative efforts.

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